

**UNITED STATES BANKRUPTCY COURT
DISTRICT OF MINNESOTA**

In Re:

Bky Case No: 04-31329-GFK

Adv. No: 04-3282

Douglas Warren Gorath,

Debtor,

Sanderson Auto, Inc.,

Plaintiff,

vs.

**ANSWER TO COMPLAINT TO
DETERMINE DISCHARGEABILITY OF DEBT**

Douglas Warren Gorath,

Defendant.

Comes now, Douglas Warren Gorath, defendant named hereinabove, and for his Answer to the Plaintiff's Complaint to Determine Dischargeability of Debt, states and alleges as follows:

1. Denies each and every allegation, statement and thing in said Complaint except as hereinafter admitted, qualified or otherwise alleged.
2. Admits paragraphs 2., 5., 6., 7., 9., 10., and 14., and of said Complaint. Admits that part of paragraph 8. of said Complaint which alleges that defendant is a shareholder, director, and officer of Auto-Netics.
3. Defendant is without sufficient information or knowledge to reasonably form a belief as to the truth or falsity of the allegations contained in paragraphs 3., 4., 11., 25., 27., and 30, of said Complaint and therefore denies the same and puts plaintiff to its proof thereof.
4. As to the allegations contained in paragraph 12. of said Complaint, admits that in early October of 2003, Baumann spoke with Gorath about putting the vehicle on the

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Auto-Netics' lot in Austin, under an agreement of consignment, and that Gorath, on behalf of Auto-Netics, would take possession of the vehicle and attempt to sell it for Sanderson and its customer (the Koprowski's).

5. As to the allegations contained in paragraph 13. of said Complaint, admits only that the vehicle was delivered to the Auto-Netic's lot in Austin in October, 2003.

6. As to the allegations contained in paragraph 15. of said Complaint, admits only that on or about October 16, 2003, Gorath contacted Baumann and notified him that a customer was coming to look at the vehicle on October 18, 2003 and that the customer was a good potential buyer.

7. As to the allegations contained in paragraph 16. of said Complaint, admits only that Gorath called and notified Baumann that an offer of \$19,500.00 had been made by the Auto-Netic's customer. Affirmatively alleges that said call and notification occurred on October 18, 2003 and that Baumann accepted the offer of \$19,500.00.

8. As to the allegations contained in paragraph 20. of said Complaint, admits only that the vehicle was sold to Amy Nicole Felten and that Exhibit 2 attached to said Complaint is a copy of the written sale.

9. As to the allegations contained in paragraph 22. of said Complaint, admits only that Sanderson has not received the proceeds from the sale. Affirmatively alleges that the reason Sanderson did not receive the proceeds from the sale was the inability or refusal of Sanderson to deliver a signed Certificate of Title in exchange for the proceeds.

10. As to the allegations contained in paragraph 23. of said Complaint, admits only that the vehicle was sold. Affirmatively alleges that the buyer, Amy Nicole Felton and her lender, have paid the full purchase price of \$19,500.00 and that she is entitled to receive the duly signed Certificate of Title from Sanderson

11. As to the allegations contained in paragraph 29. of said Complaint, admits only that no proceeds have been paid to either Sanderson or the Koprowskis.

12. As to the allegations contained in paragraph 31. of said Complaint, admits only that in October, 2003, Sanderson and Auto-Netics Inc. entered into an agreement under which Auto-Netics, Inc. agreed to sell the 2002 Ford Explorer.

13. Specifically denies the allegations contained in paragraphs 17., 18., 19., 21., 24., 26., 28., and 32 through 45 of said Complaint.

14. Plaintiff's Complaint fails to state a cause of action upon which relief can be granted.

WHEREFORE, the defendant respectfully requests that the Court dismiss the Plaintiff's Complaint and for such other further relief as the Court deems appropriate under the circumstances.

Dated: July 13, 2004

ROGER PETERSEN LAW OFFICE

By 
Roger E. Petersen
Attorney Reg. No. 85534
Attorney for Defendant
119 Sixth Street SW, Suite D
Rochester, MN 55902
Telephone (507) 285-1216


AFFIDAVIT OF SERVICE BY MAIL

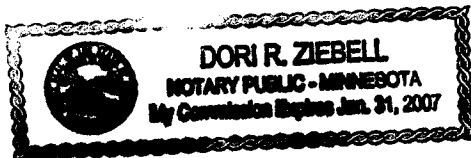
STATE OF MINNESOTA }
 } ss
COUNTY OF OLMSTED }

Roger E. Petersen, of the City of Rochester, County of Olmsted, in the State of Minnesota, being duly sworn, says that on the 13th day of July, 2004 he served a copy of the Defendant/Debtor's Answer to Complaint to Determine Dischargeability of Debt on Peterson, Savelkoul, Schlichting & Benda, LTD (Donald W. Savelkoul), Attorneys for Plaintiff, in this action by mailing to them a copy thereof, enclosed in an envelope, postage prepaid, and by depositing same in the post office at Rochester, Minnesota, directed to said Donald W. Savelkoul, Peterson, Savelkoul, Schlichting & Benda, LTD., 211 South Newton Avenue, Albert Lea, MN 56007, the last known address of said Attorneys.


Roger E. Petersen

*Subscribed and sworn to before
me this 13th day of July, 2004.*


NOTARY PUBLIC



ROGER PETERSEN LAW OFFICE

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Rochester, Minnesota 55902

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July 13, 2004

Clerk of Bankruptcy Court
200 Federal Building
316 North Robert Street
St. Paul, MN 55101

RE: Sanderson Auto, Inc. vs. Douglas Warren Gorath
Bankruptcy Case No: 04-31329-GFK
Adv. No.: 04-3282

Dear Sir or Madam:

Enclosed herewith for filing, please find the original of Defendant/Debtor's Answer to Complaint to Determine Dischargeability of Debt along with an Affidavit of Service by Mail.

Very truly yours,



Roger E. Petersen
REP:ls